

IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF FLORIDA
PENSACOLA DIVISION

UNITED STATES OF AMERICA

SEALED

v.

INDICTMENT

CLAUDIA CONSTANCE HIRMER,
MARK STEVEN HIRMER,
EUGENE JOSEPH CASTERNOVIA,
a/k/a "Gino,"
ROBERT LEIGHTON PENDELL,
MARK BARRY LYON,
ELLEN MEREDITH STUBENHAUS,
a/k/a "Dr. Ellen,"
JOSEPH WILLIAM McPHILLIPS,
ARNOLD RAY MANANSALA,
DOVER EUGENE PERRY,
MICHAEL GUY LEONARD,
MARK DANIEL LEITNER,
ARTHUR RAMIREZ MERINO
and
JEFFRY JEAN JENKS

3:08cr79/MCR

THE GRAND JURY CHARGES:

COUNT ONE

A. INTRODUCTION

At all times relevant to this Indictment:

1. Pinnacle Quest International, also known as "PQI" or "Quest," was a Panamanian business entity headquartered in Fort Walton Beach, Florida, and controlled

Returned in open court pursuant to Rule 6(f)

8-21-08

Date

Elizabeth M. Smith

United States Magistrate Judge

by **CLAUDIA CONSTANCE HIRMER and MARK STEVEN HIRMER**
(hereinafter “**CLAUDIA HIRMER**” and “**MARK HIRMER**,” or “**the HIRMERS**”).

2. PQI was the successor entity to the Institute for Global Prosperity, also known as “IGP” or “Global,” which ceased operations in approximately May 2002 after several states issued “Cease and Desist” orders against Global and U.S. law enforcement began a criminal investigation into Global and its founders, including David Struckman. **CLAUDIA HIRMER** served as Global’s marketing director and was the Global representative responsible for creating Global’s website and administering its sales database. Struckman and others were indicted in May 2004 for Conspiracy to Defraud the United States. Tax evasion charges were added to the Indictment in July 2005. In February 2004, Struckman moved to Panama where he resided until arrested and forcibly returned to the United States to answer to the Indictment in January 2006. On November 8, 2007, a Seattle, Washington, jury convicted Struckman as charged.

3. Similar to the Global scheme, PQI sold “memberships” at three levels of participation: Q1 (\$1,350.00), Q2 (\$7,500.00) and Q3 (\$18,750.00). PQI members gained access to various presentations, conference calls, DVDs, CDs, and, for Q2 and Q3 participants, offshore conferences organized by **CLAUDIA HIRMER**.

4. Synergy Productions International, Inc. (“SPI”) was an administrative arm of PQI, responsible for the collection of money from the sale of memberships, CDs and tickets to the offshore conferences. SPI also purchased the CDs, PQI promotional items,

office equipment and computers and paid the various expenses associated with the conferences. SPI was controlled by **MARK HIRMER and CLAUDIA HIRMER**.

5. MCD Productions was an entity with a bank account that accepted credit card transactions on behalf of SPI. MCD Productions was controlled by **MARK HIRMER and CLAUDIA HIRMER**.

6. PQI contracted with various vendors who sought access to PQI members to promote their theories and sell their products. Most vendors sold their products exclusively through PQI. PQI presented to its members lectures and materials from individuals who, among other topics, promoted anti-tax theories, such as the notions that the 16th Amendment was never ratified and that no law required United States citizens to pay income taxes. PQI also presented vendors who promoted offshore corporate structures, debt elimination tactics and offshore investment opportunities.

7. PQI members were encouraged to refer clients to authorized vendors. Top-selling PQI members became part of PQI's "Executive Council," or "EC." The Executive Council assisted in administering and operating PQI, which included determining what other individuals or entities PQI would allow access to PQI members at PQI-hosted conferences. **ELLEN MEREDITH STUBENHAUS, a/k/a "Dr. Ellen"** (hereinafter "**ELLEN STUBENHAUS**"), **JOSEPH WILLIAM McPHILLIPS** (hereinafter "**JOSEPH McPHILLIPS**"), **ARNOLD RAY MANANSALA** (hereinafter "**ARNOLD MANANSALA**"), **DOVER EUGENE PERRY** (hereinafter "**DOVER PERRY**"), **MICHAEL GUY LEONARD** (hereinafter **MICHAEL LEONARD**), and

ARTHUR RAMIREZ MERINO (hereinafter **ARTHUR MERINO**) all served as members of the Executive Council.

8. A PQI "Qualified Consultant," or "QC" was an individual who is authorized by PQI to sell one, two, or all three of PQI's membership levels, depending upon the QC's previous sales record. **MARK DANIEL LEITNER** (hereinafter "**MARK LEITNER**") served as a Qualified Consultant for PQI and as a representative/consultant for at least one debt elimination vendor.

9. Southern Oregon Resource Center Educational Services, or "SORCE," was a PQI vendor located in Ashland, Oregon. SORCE was controlled by **EUGENE JOSEPH CASTERNOVIA, a/k/a "Gino"** (hereinafter "**EUGENE CASTERNOVIA**"). **MARK BARRY LYON** (hereinafter "**MARK LYON**") and **ROBERT LEIGHTON PENDELL** (hereinafter **ROBERT PENDELL**) worked for SORCE. **CASTERNOVIA, LYON and PENDELL** utilized seminars, presentations and materials to sell their services, which primarily consisted of the creation of a complex system of offshore entities used to hide and conceal assets.

10. The Internal Revenue Service ("IRS") was an agency of the United States Department of the Treasury. The IRS had responsibility for the ascertainment, assessment, and collection of taxes, including income taxes.

11. All citizens of the United States were taxed on their worldwide income. *U.S. Const. amend XVI; Title 26, United States Code, §§ 1, 61; Treas. Reg. § 1.1-1(b)*. Thus, the tax laws of the United States, including the Internal Revenue Code (Title 26 of

the United States Code), required every citizen and resident of the United States who received gross income from anywhere in the world in excess of the minimum filing amount established by law for a particular tax year to annually make and file an income tax return for that tax year. *Title 26, United States Code, § 6011(a); Treas. Reg.*

§1.6011(a). Examples of the types of gross income that were required to be reported on an income tax return included: (a) compensation for services, including fees, commissions, fringe benefits and similar items; (b) gross income derived from business; (c) gains derived from dealings in property; (d) interest; (e) rents; (f) royalties; (g) dividends; (h) alimony; (i) annuities; (j) income from life insurance and endowment contracts; (k) pensions; (l) income from discharge of indebtedness; (m) distributive share of partnership gross income; (n) income in respect of a decedent; and (o) income from an interest in an estate or trust.

12. Those who promoted offshore structures for U.S. taxpayers were attempting to illegally exploit the general rule that non-resident aliens are not required to pay income tax on U.S. interest income, U.S. capital gains, or income from the sale of foreign properties or from foreign sources. *Title 26, United States Code, §§ 871-879*. Thus, they attempted to create structures - in form - which created the appearance that a non-resident alien is the owner of the assets and income when in fact the owner was the U.S. taxpayer. Hence, the promoter was attempting to convert a U.S. taxpayer who was required to report worldwide income into a non-resident alien or entity that reports no income and thus no tax.

13. In addition, some U.S. citizens attempted to structure their income-earning activities through foreign entities in an illegal attempt to take advantage of the differences in the way the United States taxes its citizens as compared to foreign persons. Foreign persons (non-resident aliens and foreign corporations) were only taxed in the United States on income originating in the United States. *Title 26, United States Code*, §§ 871-879.

B. CHARGE

That from in or about May 2002, through on or about the date of the return of this Indictment, in the Northern District of Florida and elsewhere, the defendants,

**CLAUDIA CONSTANCE HIRMER,
MARK STEVEN HIRMER,
EUGENE JOSEPH CASTERNOVIA,
a/k/a "Gino,"
ROBERT LEIGHTON PENDELL,
MARK BARRY LYON,
ELLEN MEREDITH STUBENHAUS,
a/k/a "Dr. Ellen,"
JOSEPH WILLIAM McPHILLIPS,
ARNOLD RAY MANANSALA,
DOVER EUGENE PERRY,
MICHAEL GUY LEONARD,
MARK DANIEL LEITNER
and
ARTHUR RAMIREZ MERINO,**

did knowingly and willfully combine, conspire, confederate and agree together and with other persons to: (1) defraud the Internal Revenue Service, an agency of the United States, by dishonest and deceitful means, by attempting to impede, impair, obstruct and defeat the lawful government functions of the Internal Revenue Service in the

ascertainment, computation, assessment and collection of income tax; and (2) to commit offenses against the United States, specifically wire fraud, in violation of Title 18, United States Code, Section 1343.

**C. MANNER AND MEANS BY WHICH
THE CONSPIRACY WAS CARRIED OUT**

1. After the demise of Global, **CLAUDIA HIRMER, MARK HIRMER** and others created PQI in order to continue to promote anti-government views and various schemes to hide and conceal assets from the United States Government and the IRS, including illegal tax evasion, offshore corporate structures and offshore investment schemes.

2. To that end, **CLAUDIA HIRMER, MARK HIRMER, ELLEN STUBENHAUS, JOSEPH McPHILLIPS, ARNOLD MANANSALA, DOVER PERRY, MICHAEL LEONARD, MARK LEITNER, ARTHUR MERINO** and others sold PQI memberships, and in doing so, made false and fraudulent misrepresentations about the legality and authenticity of the programs and services PQI claimed to provide. Many of their customers were lured to PQI through the promise of “debt elimination.”

3. PQI contracted with “vendors,” which allowed the vendors access to PQI members so that the vendors could sell their illegal and fraudulent schemes to PQI members, with validation by PQI of the vendors’ legitimacy. Such vendors included SORCE, represented by **EUGENE CASTERNOVIA, ROBERT PENDELL** and

MARK LYON, several “debt elimination” companies, represented by **DOVER PERRY**, **MICHAEL LEONARD**, **MARK LEITNER**, **ARTHUR MERINO** and others, along with numerous others promoting various illegal tax evasion schemes.

4. Specifically, through their live, recorded and written materials, PQI, its owners and Executive Council members, and PQI vendors presented information in a manner which misled PQI members to believe that they legally could pay no taxes, become free of debt, accumulate wealth, and protect their assets from the government and creditors through information PQI and its vendors alone could provide.

5. In addition, PQI owners, Executive Council members, Qualified Consultants and vendors often personally engaged in acts designed to impede, impair, obstruct and defeat the lawful government functions of the Internal Revenue Service in the ascertainment, computation, assessment and collection of their individual income tax. Such acts included frivolous correspondence, threats of legal retaliation, creation of false and fraudulent financial information, and extensive use of offshore entities and accounts.

6. Membership fees were paid to the Qualified Consultants and Executive Council members who recruited the member, a portion of which was sent to PQI through one of the **HIRMER’S** accounts. Payments were primarily made by cashier’s checks, credit cards or wire transfer through an internet payment service. The Qualified Consultant’s share of the profit from their first two sales was sent up-line to their own consultant; thereafter, the Qualified Consultant kept all the consultant-seller’s portion of the membership fee.

7. The **HIRMERS** conducted the vast majority of their financial transactions through the use of cashier's checks and wire transfers. The **HIRMERS** wire transferred much of the money obtained from PQI sales through a series of entities located in Panama. The **HIRMERS** ultimately used the money for facilitation of the conspiracy and their own personal use.

8. One of the methods promoted by a PQI vendor and used extensively by PQI owners, Executive Council members, other vendors and members was a warehouse banking program called "MYICIS." The program offered anonymous banking services and protection from government intrusion. Communication and money movement were accomplished primarily by password-protected emails and wire transmissions, called Electronic Money Orders, and debit cards. MYICIS claimed they would not honor IRS levies. MYICIS was fraudulent and eventually depositors lost their money.

9. All of the defendants made statements and committed acts to hide and conceal the object of the conspiracy and the acts in furtherance thereof.

D. OVERT ACTS

In furtherance of this conspiracy, and to effect the objects thereof, the following overt acts, among others, were committed in the Northern District of Florida and elsewhere:

1. On or about April 9, 1999, **MARK LEITNER** signed and submitted a "Constructive Legal Notice" to his employer, the IRS, and the Social Security

Administration, which revoked his social security number and established a tax-exempt status. **LEITNER** simultaneously stopped filing income tax returns.

2. On or about April 27, 2000, **MARK HIRMER and CLAUDIA HIRMER** opened a bank account in the name of MCD Productions at AmSouth Bank. The account was primarily used to receive credit card deposits for Global, and then for PQI.

3. On or about March 15, 2001, **MARK LEITNER** sent to the IRS a "Notice of Affidavit Statement in Rebuttal to Internal Revenue Code."

4. On or about November 28, 2001, **MICHAEL LEONARD** received from the IRS a "3175" letter in response to his challenges to the IRS and the income tax system. The letter informed **LEONARD**, among other things, that "Federal tax laws are passed by Congress and signed by the President. The Internal Revenue Service is responsible for administering federal tax laws fairly and ensuring that taxpayers comply with the laws.... While tax collection is not a popular function of government, it clearly is a necessary one. Without it all other functions would eventually cease.... There are people who encourage others to deliberately violate our nation's tax laws. It would be unfortunate if you were to rely on their opinions. These persons take legal statements out of context and claim that they are not subject to tax laws.... Federal courts have consistently ruled against the arguments you have made. Therefore, we will not respond to future correspondence concerning these issues."

5. On or about February 15, 2002, **MARK LYON** sent to the IRS a “Declaration of Tax Exempt Foreign Status.”
6. On or about May 12, 2002, **CLAUDIA HIRMER** caused PQI to notify “retailers” of Global that PQI “has incorporated a grace period, referred to as a Grandfathering-Clause to allow retailers” from Global to enroll in PQI and keep their status as “qualified for product purchase as well as keeping their existing customer base with their new enterprise as a consultant with PQI, Inc.”
7. On or about May 12, 2002, **MARK LEITNER** transitioned from Global to PQI and became a PQI QC.
8. On or about May 12, 2002, **MICHAEL LEONARD** transitioned from Global to PQI and became an EC.
9. On or about May 12, 2002, **ELLEN STUBENHAUS** transitioned from Global to PQI and became an EC.
10. On or about June 7, 2002, **MARK HIRMER and CLAUDIA HIRMER** opened a bank account in the name of Synergy Productions International, Inc. at AmSouth Bank in order to deposit payments received for PQI sales.
11. On or about July 8, 2002, **CLAUDIA HIRMER and MARK HIRMER** paid \$65,098.69 from the MCD Productions account at AmSouth Bank, toward the purchase of a waterfront home located at 511 Dory Avenue, Fort Walton Beach, Florida.
12. From on or about December 8 through 12, 2002, **CLAUDIA HIRMER**

and others conducted a Q2 conference in Punta Cana, Dominican Republic, at the Barcelo Bavaro Beach Resort.

13. On or about December 3, 2002, **ELLEN STUBENHAUS** received from the IRS a "3175" letter in response to her challenges to the IRS and the income tax system.

14. On or about January 27, 2003, **ELLEN STUBENHAUS** received correspondence from the IRS regarding the non-filing of her 1997, 1998 and 2001 income tax returns.

15. On or about January 13, 2003, **CLAUDIA HIRMER and MARK HIRMER** received from the IRS a "3175" letter in response to their challenges to the IRS and the income tax system.

16. On or about February 17, 2003, **ELLEN STUBENHAUS** filed a mail fraud report with the U.S. Postal Service in which she claimed fraud by the IRS for mailing correspondence to her regarding her non-filing of income tax returns.

17. On or about April 2, 2003, **MICHAEL LEONARD** filed a mail fraud report with the U.S. Postal Service in which he claimed fraud by the New York State Department of Taxation and Finance for mailing correspondence to him regarding his non-filing of state income tax returns.

18. From on or about June 1 through 6, 2003, **CLAUDIA HIRMER, MARK HIRMER, ELLEN STUBENHAUS, ARTHUR MERINO** and others conducted a Q2 conference in Cancun, Mexico.

19. On or about May 27, 2003, **ARTHUR MERINO** received from the IRS a “3175” letter in response to his challenges to the IRS and the income tax system.

20. On or about July 7, 2003, **ARTHUR MERINO**, using his Corporation Sole, Everest Consulting, sent an “updated info” email to **CLAUDIA HIRMER** in which **MERINO** provided PQI EC members and Qualified Consultants with information about selling Financial Solutions, **MERINO’S** “asset protection, debt elimination, and education” business. **MERINO** offered a \$300.00 “thank you” bonus for each referral.

21. On or about July 7, 2003, **ELLEN STUBENHAUS** received notices of deficiency for the 1997, 1998 and 2001 income tax years.

22. On or about July 14, 2003, **MARK LEITNER** stated on a voice mail message, “You were looking into how to completely eliminate your income tax burden and that’s what we do for you.”

23. On or about August 18, 2003, **MARK LEITNER** falsely told a potential customer, “...everything that PQI has, has a track record, has never been challenged, and is legal.”

24. On or about October 15, 2003, **MARK HIRMER** sent an email to a potential PQI member promoting PQI’s Q1 and Q2 products and speakers who advocate anti-government and anti-tax agendas.

25. From on or about December 7 through 12, 2003, **CLAUDIA HIRMER, MARK HIRMER, ELLEN STUBENHAUS, EUGENE CASTERNOVIA, ARNOLD**

MANANSALA, MICHAEL LEONARD, MARK LEITNER, JOSEPH

McPHILLIPS and others conducted a Q2 conference in Cancun, Mexico.

26. In or about 2003, **EUGENE CASTERNOVIA** and others created a CD for PQI's Q1 members. On the CD, **CASTERNOVIA** explained his offshore corporate structure as like a puppet show, where he is the puppeteer and, as long as he does not reveal himself, he can order things to be done. **CASTERNOVIA** added that it would be "fraud" to report information about the foreign companies to the IRS, and that "this is a very good thing." that "you're forbidden from telling on yourself."

27. On or about March 2, 2004, and April 29, 2004, **MARK LEITNER** explained to a potential customer that they should control all their assets but not "own" anything, because ownership is a "liability." **LEITNER** also advocated using offshore corporations to establish "complete anonymity" for the movement of money.

28. On or about March 8, 2004, **MICHAEL LEONARD**, who had failed to file state income tax returns since 2001 and federal income tax returns since 1999, received correspondence from the New York State Department of Taxation in which **LEONARD** was told that his dispute with the legality of the Department's right to collect tax revenue was considered frivolous and without merit. The letter further referenced the legality of the federal income tax system, as upheld by numerous courts.

29. On or about March 16, 2004, **ARNOLD MANANSALA** received from the IRS a "3175" letter in response to his challenges to the IRS and the income tax system.

30. On or before April 14, 2004, **CLAUDIA HIRMER** made a recorded telephone call for the benefit of PQI members, during which **CLAUDIA HIRMER** encouraged members to buy two products sold by PQI vendors, both of which promoted tax evasion by espousing the idea that the IRS did not have the legal authority to tax income.

31. On or about April 29, 2004, and March 21, 2006, **MARK LEITNER** falsely told a potential customer, in reference to the investments offered by PQI, that “all of the investments have paid out,” that “there have been no negative investments at all since PQI started” and that PQI performs “due diligence” and does not allow the promotion of investments that have not produced positive results in the last three years.

32. On or after June 7, 2004, **ARTHUR MERINO** was notified that the IRS made tax assessments against him for 2000 and 2001. **MERINO** was subsequently notified of tax assessments for 2002. **MERINO** had not filed a tax return since 1999.

33. From on or about June 20 through 26, 2004, **CLAUDIA HIRMER, ELLEN STUBENHAUS, DOVER PERRY, ARTHUR MERINO, EUGENE CASTERNOVIA, MARK LYON, ROBERT PENDELL** and others conducted a Q2 conference in Cabo, Mexico.

34. On or about June 23, 2004, **EUGENE CASTERNOVIA** told a potential SORCE customer that he could assist her in protecting her assets and develop a “credible international business and investment presence.” **CASTERNOVIA** told her that the government could not trace the offshore structures back to her. **CASTERNOVIA** also

offered education and resources to assist her in becoming a “sovereign American,” and requested that she refer anyone interested in “offshore” structures to PQI.

35. From on or about September 19 through 25, 2004, **CLAUDIA HIRMER, ELLEN STUBENHAUS, ARNOLD MANANSALA** and others conducted a Q3 conference in Panama City, Panama.

36. On or about September 27, 2004, L.G. paid to **ELLEN STUBENHAUS** \$1,350.00 to join PQI at the Q1 level. L.G. joined PQI in part because **STUBENHAUS** falsely represented to her that she does not have an obligation to file income tax returns and that the IRS has never challenged her.

37. On or about December 2, 2004, **EUGENE CASTERNOVIA and JOSEPH McPHILLIPS** discussed via email recording an overview of SORCE as a “teaser to get them [clients] to a live presentation.”

38. On or about December 27, 2004, **CLAUDIA HIRMER** received an email from David Struckman in which Struckman instructed **CLAUDIA HIRMER** to wire transfer “\$32,000 to Caribbean Properties ([M.M.] since they don’t want to see my name) and make cashiers check for 13,000.00 even to University of Puget Sound, and overnight to Anthony Struckman.... so this will be a 45,000.00 advance for March Q2 payment to me (hopefully we will make some money this time in reforestation!) ” After Struckman instructed **CLAUDIA HIRMER** to make monthly \$10,000 payments to “this high placed attorney” through his “virtual gold account,” Struckman stated to **CLAUDIA HIRMER**, “I guess this is still cheaper than income tax and especially jail!!”

39. On or about December 28, 2004, **MARK HIRMER and CLAUDIA HIRMER** "ledger" transferred \$32,000.00 to Caribbean Properties and sent a \$13,000.00 cashier's check to the University of Puget Sound from their "Panama Title and Escrow" account at Credicorp Bank in Panama, as instructed by David Struckman.

40. From in or about May through December 2004, **CLAUDIA HIRMER and MARK HIRMER** wire transferred over \$700,000.00 from the SPI AmSouth bank account to their Panama Title and Escrow account at Credicorp Bank in Panama.

41. From on or about February 19 through 24, 2005, **CLAUDIA HIRMER, MARK HIRMER, ELLEN STUBENHAUS, DOVER PERRY, ARNOLD MANANSALA, MICHAEL LEONARD, JOSEPH McPHILLIPS, EUGENE CASTERNOVIA** and others conducted a Q2 conference in Cancun, Mexico.

42. From on or about February 22 through 23, 2005, **EUGENE CASTERNOVIA** recorded a "Sovereign Solutions" DVD, in which he falsely stated to potential SORCE customers that the IRS had told him to pay taxes on his own money, and he said no; that the IRS agreed with him and left him alone. **CASTERNOVIA** added that he had been before the IRS "system" six times and each time they "folded up their books and left." **CASTERNOVIA** also claimed that his accountant had told him to obtain an Employment Identification Number from the IRS and he had refused.

43. From on or about February 22 through 23, 2005, **ROBERT PENDELL** recorded a "Sovereign Solutions" DVD, in which he falsely claimed that: (1) "my tax

liability is zero;" (2) "I have 30-40% more of my income;" (3) I am a free individual, no one has a claim on my labor;" and (4) I owe nothing to no one."

44. On or about June 18, 2005, **DOVER PERRY** made a "debt elimination" presentation at a Cutting Edge Seminar, during which he falsely claimed that he had successfully eliminated his student loan debt through the credit restoration process he was selling, when in fact he had defaulted on the debt and the student loans were collection accounts. **PERRY** also falsely claimed to have been a professional football player with the Seattle Seahawks.

45. On or about June 20, 2005, **DOVER PERRY** stated to a potential PQI customer that he held his assets in a "corporation sole" which, he explained, was an ecclesiastical structure. **PERRY** stated he was justified in his use of this structure because he was "doing God's work by teaching people how to get out of debt."

46. On or about June 20, 2005, **DOVER PERRY** falsely stated to a potential PQI customer that: (1) "not one person in Quest has lost a penny to our investments;" (2) if he had his IRS Master File "decoded" through vendor IMF Decoder, he could never be criminally prosecuted for tax evasion; (3) if he would rather "stay in the box," i.e., file income tax returns, then he should get "structured" by **EUGENE CASTERNOVIA** at **SORCE** and learn how to operate "external to the Internal Revenue Code."

47. On or about June 27, 2005, **JOSEPH McPHILLIPS** sent \$12,500.00 to PQI for sales made by David Struckman, who had been indicted in the District of Washington in May 2004.

48. On or about July 28, 2005, **ARNOLD MANANSALA** emailed to a PQI member a Powerpoint Presentation he had created for future presentations. In the Powerpoint, **MANANSALA** stated: (1) "Quest International" is a Panama based IBC with a three-year track record, over 15,000 students, and proven world class contributors; (2) his educational objectives were to teach how to "lawfully keep up to 100% of what you make (personal and business); to protect all assets from Liens & Judgments; to properly structure your corporate and private affairs;" (3) the educational system does not teach how to keep the money you earn, nor to keep other people from that money, including taxation. **MANANSALA** claimed to be capable of securing for his clients a letter from the IRS stating that the student "had no 1040 filing requirement," and that he, himself, was successfully practicing the techniques.

49. On or about August 4, 2005, during a telephone call which included **JOSEPH McPHILLIPS** and David Struckman, Struckman stated that he was in Central America permanently and explained that **McPHILLIPS** assists the clients Struckman brings into PQI. **McPHILLIPS** explained that he was Struckman's proxy.

50. On or about October 8, 2005, **ROBERT PENDELL** advised a potential client as to how to illegally evade paying taxes by setting up offshore entities and appearing to be simply a "salesman" for his company, rather than the owner. **PENDELL** explained that the purpose for the structure was "to keep you from... having your assets sued or seized by the predatory legal authority or taxing authorities that we live under."

51. On or about October 8, 2005, **ROBERT PENDELL** advised a potential client that none of their clients have ever gotten into trouble with the IRS after utilizing **SORCE** and setting up their offshore corporations. **PENDELL** stated that the government cannot track ownership of their offshore structures because “your name is completely off the business” and all assets belong to the offshore company.

52. From on or about October 23 through 29, 2005, **CLAUDIA HIRMER, MARK HIRMER, ELLEN STUBENHAUS, DOVER PERRY, ARNOLD MANANSALA, MICHAEL LEONARD, MARK LEITNER, JOSEPH McPHILLIPS, EUGENE CASTERNOVIA** and others conducted a Q2 conference in Ixtapa, Mexico.

53. From in or about March through November 2005, **CLAUDIA HIRMER and MARK HIRMER** wire transferred over \$1.5 million from their SPI AmSouth and MYICIS accounts to their accounts at Credicorp Bank in Panama.

54. On or about January 23, 2006, **CLAUDIA HIRMER** approved a flyer which promoted the upcoming Quest Live seminar. The flyer was created by a vendor who promoted tax evasion by espousing the idea that the IRS did not have the legal authority to tax income.

55. On or about February 2, 2006, **CLAUDIA HIRMER and MARK HIRMER** caused a \$400,000.00 wire transfer to an attorney representing David Struckman in his criminal case in Seattle, Washington.

56. From on or about February 25 through March 5, 2006, **CLAUDIA HIRMER, MARK HIRMER, EUGENE CASTERNOVIA, ELLEN STUBENHAUS, ARNOLD MANANSALA, DOVER PERRY** and others conducted a Q3 conference in Malta.

57. On or about May 6, 2006, at a Cutting Edge Seminar, **DOVER PERRY** falsely stated that, through the use of offshore business structures, clients could keep all of their investment returns without taxation.

58. From on or about May 27 through June 4, 2006, **CLAUDIA HIRMER, MARK HIRMER, EUGENE CASTERNOVIA** and others conducted a Q2 conference in Cancun, Mexico.

59. On or about June 29, 2006, **MARK HIRMER** caused a \$55,979.75 cashier's check to be drawn on Regions Bank for the purchase of a 28'3" Sunesta 274 Chaparral boat titled to "Oriskany, LLC."

60. From on or about December 2 through 9, 2006, **CLAUDIA HIRMER, MARK HIRMER** and others conducted a Q2 conference in Cancun, Mexico.

61. From in or about January through April 2006, **CLAUDIA HIRMER and MARK HIRMER** wire transferred over \$800,000.00 from their MYICIS account to their accounts at Credicorp Bank in Panama.

62. On or about October 30 2006, **CLAUDIA HIRMER and MARK HIRMER** caused a \$16,859.83 wire transfer to be sent from their SPI account at

Credicorp Bank in Panama to a title company to pay closing costs associated with a \$635,000.00 second mortgage on their personal property located at 511 Dory Avenue, Fort Walton Beach, Florida. The second mortgage was held by Hope International Foundation in Panama, a company the **HIRMERS** controlled.

63. On or about December 29, 2006, **CLAUDIA HIRMER and MARK HIRMER** purchased a \$759,557.87 cashier's check, issued to a title company, from Credicorp Bank. The **HIRMERS**, using the name "Country Home Solutions," used the money to purchase their home at 104 Kent Court, Niceville, Florida.

64. From on or about May 14 through 21, 2007, **CLAUDIA HIRMER, MARK HIRMER, EUGENE CASTERNOVIA, ARNOLD MANANSALA, DOVER PERRY** and others conducted a Q3 conference on a Mediterranean cruise aboard the Galaxy cruise ship.

65. From on or about September 16, 2007, through September 22, 2007, **CLAUDIA HIRMER, MARK HIRMER** and others conducted a Q2 conference in Cancun, Mexico.

66. On or about October 24, 2007, **MARK HIRMER** purchased a \$22,730 cashier's check with money previously deposited into the MCD Productions account at SunTrust Bank. The **HIRMERS** used the money to purchase and install a brick paver driveway and patio at their waterfront residence on Dory Avenue.

67. On or about December 28, 2007, **MARK HIRMER**, on behalf of MCD Productions, purchased a SunTrust Bank Official Check for \$10,000, payable to his daughter and her husband.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

1. Parts A, C and D of Count One are hereby realleged as if fully set forth herein.
2. That from in or about May 2002 through on or about the date of the return of this Indictment, in the Northern District of Florida and elsewhere, the defendants,

**CLAUDIA CONSTANCE HIRMER,
MARK STEVEN HIRMER,
EUGENE JOSEPH CASTERNOVIA,
a/k/a "Gino,"
ROBERT LEIGHTON PENDELL,
MARK BARRY LYON,
ELLEN MEREDITH STUBENHAUS,
a/k/a "Dr. Ellen,"
JOSEPH WILLIAM McPHILLIPS,
ARNOLD RAY MANANSALA,
DOVER EUGENE PERRY,
MICHAEL GUY LEONARD,
MARK DANIEL LEITNER,
ARTHUR RAMIREZ MERINO
and
JEFFRY JEAN JENKS,**

did knowingly combine, conspire, confederate and agree together and with other persons, to conduct and attempt to conduct financial transactions affecting interstate commerce, which funds were in fact derived from specified unlawful activity, that is, Wire Fraud,

knowing that the transactions were designed in whole or in part to conceal and disguise the nature, the location, the source, the ownership and the control of the proceeds of the specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

All in violation of Title 18, United States Code, Section 1956(h).

COUNT THREE

1. Parts A, C and D of Count One are hereby realleged as if fully set forth herein.

2. That beginning on or about April 15, 2002, through the date of this Indictment, in the Northern District of Florida and elsewhere, the defendants,

CLAUDIA CONSTANCE HIRMER
and
MARK STEVEN HIRMER,

did willfully attempt to evade and defeat the payment of a substantial portion of the income taxes due and owing by them to the United States of America for the calendar years 1996 through 2001, in the amount of at least \$678,036.40.00 as to **CLAUDIA HIRMER**, and \$676,343.30 as to **MARK HIRMER**, by committing at least one act of evasion, including: (1) concealing and attempting to conceal from the Internal Revenue Service the nature and extent of their assets and the location thereof; and (2) placing funds and property in the names of nominees.

All in violation of Title 26, United States Code, Sections 7201 and 2.

COUNTS FOUR THROUGH FIFTEEN

1. Parts A and D of Count One are hereby realleged as if fully set forth herein.
2. That in or about May 2002 through on or about the date of the return of this Indictment, in the Northern District of Florida and elsewhere, the defendants listed below did knowingly transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce writings, signals, pictures and sounds for the purpose of executing a scheme and artifice to defraud, and to obtain money by false and fraudulent pretenses, representations and promises, in violation of Title 18, United States Code, Section 1343.

C. SCHEME AND ARTIFICE

It was part of the scheme and artifice that:

1. Through its vendors, PQI promoted a series of “debt elimination” companies, including “Financial Solutions,” owned and operated by **ARTHUR MERINO**, and Debt Relief Services Marketing, LLC, later changed to Consumer Financial Educators, both owned and operated by **JEFFRY JEAN JENKS (hereinafter “JEFFRY JENKS”)**. Though competing programs, they were similarly described and promoted. Both **MERINO** and **JENKS** claimed they could, for a fee, provide customers with assistance in legally reducing or eliminating their debt. The programs were marketed primarily to financially distressed people deeply in credit card debt.

2. Some customers were told they could pay the fee with a credit card, because the debt would be eliminated when they followed the offered programs. Once customers paid for the debt elimination programs, they received information which falsely claimed that banks and credit card companies did not have the legal right to extend credit. Therefore, because they extended credit illegally, the debt was not legally owed.

3. As part of the package, customers received form letters to send to their credit card companies, which demanded that their credit balances be reduced to zero because the credit had been illegally extended to them.

4. PQI, through its owners, Executive Council, Qualified Consultants and others, falsely and fraudulently validated, promoted and sold the bogus "debt elimination" systems offered by the aforementioned PQI vendors, by endorsing the vendors, referring customers, arranging for conference calls, programs and seminars.

5. The programs did not work. Customers who participated in the programs did not eliminate their debt, and in fact, were worse off after having challenged their creditors as instructed.

D. WIRE TRANSMISSIONS

On or about the dates listed below, in the Northern District of Florida and elsewhere, the defendants listed below, knowingly transmitted and caused to be transmitted in interstate commerce via electronic mail, the following wire transmissions:

COUNT	DEFENDANTS	DATE	FROM	TO	SUBJECT
FOUR	CLAUDIA HIRMER, JOSEPH McPHILLIPS, ARTHUR MERINO	9/9/2003	D.H.	CLAUDIA HIRMER	"Special 'Two Part' Training this Tuesday and Thursday - can you send this out?"
FIVE	CLAUDIA HIRMER, ELLEN STUBENHAUS, ARTHUR MERINO	9/15/2003	ELLEN STUBENHAUS	CLAUDIA HIRMER	"RE: infor the web site...have you told Brian?"
SIX	CLAUDIA HIRMER, MARK HIRMER, MICHAEL LEONARD, ARTHUR MERINO	2/6/2004	CLAUDIA HIRMER	MARK HIRMER	"From Financial Solutions"
SEVEN	CLAUDIA HIRMER, ELLEN STUBENHAUS, MARK LEITNER, JEFFRY JENKS	3/3/2004	ELLEN STUBENHAUS	CLAUDIA HIRMER	Forwarded "DRSM March Madness" Document
EIGHT	CLAUDIA HIRMER, ARTHUR MERINO	3/6/2004	CLAUDIA HIRMER	ARTHUR MERINO	"Financial Solutions New Call Schedule"
NINE	CLAUDIA HIRMER, ELLEN STUBENHAUS, ARTHUR MERINO, JEFFRY JENKS	7/11/2004	ELLEN STUBENHAUS	CLAUDIA HIRMER	Training schedule for "Power-up & Mindset"

COUNT	DEFENDANTS	DATE	FROM	TO	SUBJECT
TEN	CLAUDIA HIRMER, ELLEN STUBENHAUS, JOSEPH McPHILLIPS, MICHAEL LEONARD	7/16/2004	JOSEPH McPHILLIPS	CLAUDIA HIRMER	"Debt Elimination Scam Alert from Fed & FBI"
ELEVEN	MARK HIRMER, MICHAEL LEONARD, JEFFRY JENKS	3/16/2005	MICHAEL LEONARD	MARK HIRMER	"FedEx package"
TWELVE	JEFFRY JENKS	4/21/2005	JEFFRY JENKS	DRSM Clients	"To Clients of BH"
THIR- TEEN	CLAUDIA HIRMER, MARK HIRMER, ELLEN STUBENHAUS, JOSEPH McPHILLIPS, MICHAEL LEONARD	8/30/2005	JOSEPH McPHILLIPS	MARK HIRMER	"For all EC- Legal Committee Meeting"
FOUR- TEEN	ARNOLD MANANSALA, DOVER PERRY	1/24/2006	J.K.	ARNOLD MANANSALA, DOVER PERRY, EUGENE CASTERNOVIA	"Cutting Edge Seminar- Hawaii"
FIFTEEN	MARK LEITNER	1/31/2006	MARK LEITNER	"undisclosed - recipients"	How to Wipe Out your credit card debt w/o bankruptcy"

All in violation of Title 18, United States Code, Sections 1343 and 2.

CRIMINAL FORFEITURE

The allegations contained in Count Two of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures to the United States

pursuant to the provisions of Title 18, United States Code, Section 982(a)(2).

Upon the convictions of the violations alleged in Count Two of this Indictment,
the defendants,

**CLAUDIA CONSTANCE HIRMER,
MARK STEVEN HIRMER,
EUGENE JOSEPH CASTERNOVIA,
a/k/a "Gino,"
ROBERT LEIGHTON PENDELL,
MARK BARRY LYON,
ELLEN MEREDITH STUBENHAUS,
a/k/a "Dr. Ellen,"
JOSEPH WILLIAM McPHILLIPS,
ARNOLD RAY MANANSALA,
DOVER EUGENE PERRY,
MICHAEL GUY LEONARD,
MARK DANIEL LEITNER,
ARTHUR RAMIREZ MERINO
and
JEFFRY JEAN JENKS,**

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any and all property, real or personal, involved in the aforementioned offenses and all property traceable to such property as a result of such violations of Title 18, United States Code, Section 1956; including, but not limited to.

1. \$50,664,000 in United States Currency;
2. The real property commonly known as 511 Dory Avenue, Fort Walton Beach, Florida, and more particularly described as:

LOT 220, BLOCK 5, SANTA ROSA ISLAND, ACCORDING TO
MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 2,

PAGE 84, OF THE PUBLIC RECORDS OF OKALOOSA COUNTY,
FLORIDA;

3. The real property commonly known as 838 Tropic Avenue, Fort Walton
Beach, Florida, and more particularly described as:

LOT 500, BLOCK 8, SANTA ROSA ISLAND, ACCORDING
TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK
2, PAGE 190, OF THE PUBLIC RECORDS OF OKALOOSA
COUNTY, FLORIDA;

4. The real property commonly known as 104 Kent Court, Niceville, Florida,
and more particularly described as:

LOT 6, BLOCK G, ROCKY BAYOU ESTATES UNIT #3,
ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT
BOOK 5, PAGE 27, OF THE PUBLIC RECORDS OF OKALOOSA
COUNTY, FLORIDA;

5. Humboldt Merchant Services Account Number 4194043010105298, in the
name of MCD Productions;

6. Beach Community Bank, Account # 02003, in the name of Mark S.
Hirmer;

7. Beach Community Bank, Account # 01467, in the name of Mark S.
Hirmer;

8. Trustmark Bank, Account #7100058727, in the name of Synergy

Productions International;

9. Suntrust Bank, Account # 1000007027146 in the name of Mark S. Hirmer

dba MCD Productions; and

10. First City Bank, Account # 902624 in the name of Mark S. Hirmer.

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section

982(b)(1), to seek forfeiture of any other property of said defendants up to the value of the above-described property.

All in violation of Title 18, United States Code, Section 982(a).


A TRUE BILL:

FOREPERSON 

8-21-2008
DATE


THOMAS F. KIRWIN
Acting United States Attorney


MICHELLE M. HELDMYER
Assistant United States Attorney


TIFFANY H. EGGERS
Assistant United States Attorney